

Before

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

In the matter of:

UPCL's Petition on MYT for the Control Period FY 2013-14 to FY 2015-16 and True-up for FY 2010-11 & FY 2011-12.

AND

In the matter of:

Uttarakhand Power Corporation Limited
Urja Bhawan, Kanwali Road, Dehradun

.....Petitioner

Coram

Shri Jag Mohan Lal	Chairman
Shri C.S. Sharma	Member
Shri K.P. Singh	Member

Date of Order: 01st February 2013

Order

This order relates to the Petition on MYT for the Control Period FY 2013-14 to FY 2015-16 and True-up for FY 2010-11 & FY 2011-12 filed by Uttarakhand Power Corporation Limited (UPCL), hereinafter referred to as the Petitioner, on 21.12.2012.

2. The Petition filed by UPCL had certain critical infirmities/deficiencies. The Commission vide its letter dated 11.01.2013 returned the Petition filed by UPCL alongwith the details of additional gaps in the Petition asking it to rectify the said
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infirmities also so that the Petition may be admitted by the Commission. UPCL submitted the complete information to the deficiencies pointed by the Commission on 31.01.2013.

3. Based on the submissions of UPCL, the Commission provisionally admits the Petition for further processing subject to the condition that UPCL shall furnish any further information/clarifications as deemed necessary by the Commission during the processing of the Petition and provides such information and clarifications to the satisfaction of the Commission within the time frame as may be stipulated by the Commission failing which the Petition would be treated as deemed returned on the due date for last information sought by the Commission and the Commission would proceed to dispose off the matter as it deems fit based on the information available with it.
4. The Commission further directs the Petitioner to publish a public notice within 3 days from the date of this Order detailing the salient information and facts of the Petition filed by it in the format given at Annexure 1 in at least two daily newspapers (one Hindi and one English) widely circulated in the area of its operation both in Hindi and English languages for comments by all stakeholders and public at large. The Petitioner is also directed to place the Petition on its website and its headquarters/other offices for inspection or making relevant extracts available to the public.

(K.P. Singh)
Member

(C.S. Sharma)
Member

(Jag Mohan Lal)
Chairman

UTTARAKHAND POWER CORPORATION LIMITED
PUBLIC NOTICE

Inviting Comments on the Multi Year Tariff Petition for the Control Period from FY 2013-14 to FY 2015-16 and determination of tariff for FY 2013-14 filed by UPCL before the Uttarakhand Electricity Regulatory Commission

Salient Points of the ARR/Tariff Petition

1. Uttarakhand Power Corporation Limited (UPCL), the sole Distribution and Retail Supply Licensee in the State, has filed a Petition before Uttarakhand Electricity Regulatory Commission (UERC or Commission) for approval of its Annual Revenue Requirement (ARR) for the FY 2013-14 to FY 2015-16 and has sought revision of Retail Tariffs to be charged from different category of electricity consumers in the State for the FY 2013-14.
2. Through the above Petition, UPCL has also sought truing up of expenses for FY 2010-11 (based on audited accounts) and for FY 2011-12 (based on provisional accounts). However, in absence of actual/reliable data for the FY 2012-13, while providing revised estimates for different expense items, UPCL has not sought any true up for the FY 2012-13. The summary of the revised ARR and the revised revenue Gap for FY 2010-11, FY 2011-12 & FY 2012-13 and projected ARR & projected Revenue gap for the FY 2013-14 to FY 2015-16 are given in the following Table:

(Figures in ₹Crore)

S. No.	Particulars	FY 2010-11		FY 2011-12		FY 2012-13		Projected by UPCL for		
		Provisionally trued up by the Commission	Final truing up claimed by UPCL	Approved by the Commission	Provisional Truing up claimed by UPCL	Approved by the Commission	Revised Estimates submitted by UPCL	FY 2013-14	FY 2014-15	FY 2015-16
A.	Expenditure									
1	Power Purchase Expenses	2,055.93	2,055.03	2,195.91	2,728.59	2,884.64	3,284.60	3,646.54	3,952.35	4,344.16
2	Transmission Charges- PGCIL	125.93	125.93	113.35	211.02	119.02	219.23	243.54	268.30	316.30
3	Transmission Charges- PTCUL	111.50	111.50	131.82	184.82	159.54	159.54	175.49	193.04	212.35
4	O&M expenses	286.32	286.39	272.52	296.83	353.50	378.40	443.96	490.67	546.32
5	Interest charges	77.48	66.77	71.08	88.49	90.23	59.41	143.33	228.65	271.65
6	Depreciation	21.95	21.95	27.95	112.65	23.19	174.43	207.47	253.12	299.27
7	Provision for Bad and Doubtful Debts	-	67.77	-	76.04	-	84.33	96.68	108.09	121.06
8	Return on Equity	5.91	67.13	7.47	83.24	10.75	103.23	117.64	146.67	172.73
9	Interest on Working Capital	14.06	21.44	8.02	13.21	13.59	13.68	22.37	29.47	37.66

B.	Gross Expenditure	2,699.06	2,823.91	2,828.12	3,794.89	3,654.45	4,476.84	5,097.04	5,670.34	6,321.49
C.	Less: Non-tariff income	59.25	182.02	35.20	335.51	37.50	260.13	262.84	265.68	268.67
D.	Aggregate Revenue Requirement (A-B)	2,639.81	2,641.88	2,792.92	3,459.39	3,616.95	4,216.71	4,834.20	5,404.66	6,052.82
E.	Revenues from Existing/ Approved Tariffs	2,718.44	2,592.60	2,804.70	2,899.96	3,556.88	3,442.80	3,747.76	4,058.84	4,451.62
F.	Additional Gap/(Surplus) from truing up of previous years	-	-	-	-	(67.27)	-	608.78	-	-
G.	Add: Carrying Cost on the total Gap	-	-	3.61	-	-	-	189.90	-	-
H.	Revenue Surplus/(Gap) (E)-(F)-(D)-(G))	78.63	(49.28)	8.17	(559.50)	7.21	(773.91)	(1,885.12)		

- UPCL has, accordingly, for the FY 2010-11, FY 2011-12 and FY 2013-14 taken together, projected a total revenue gap of ₹1,885.12 Crore.
- The increase in revenue gap from the figures approved by the Commission for different financial years (as indicated above) is primarily due to increase in the power purchase cost of UPCL along with the increase in Capital Related Expenses. For FY 2013-14, UPCL has projected the distribution loss level of 18.25%. It is also to mention that for projecting the power purchase cost for FY 2013-14 from Central Sector Generating Stations, UPCL has taken the rates as approved in the orders of CERC. Similarly, PGCIL charges have been projected on "per MU basis", i.e. power projected to be procured from outside the state for each year is multiplied by the ratio of actual PGCIL charges for FY 2011-12 and quantum of power procured from outside the state in that particular year. ULDC, NRLDC and Intra-state transmission charge has been projected by assuming an escalation of 10% in each year over FY 2011-12.
- UPCL has proposed to recover the revenue gap of ₹1,885.12 Crore relating to FY 2010-11, FY 2011-12 and FY 2013-14 through tariffs in the FY 2013-14 and has deferred the recovery of the revenue gap of Rs. 773.91 Crore relating to FY 2012-13 for next year. UPCL has, accordingly, proposed an average tariff hike of 50.30% in the existing retail tariffs of consumers.
- In addition UPCL has claimed past adjustments of capital related expenses from 09.11.2001 to 31.03.2011 arising out of approval of the transfer scheme with UPPCL by GoU, amounting to ₹ 1,581.24 Crore (including the carrying cost till 31.03.2013), which was not considered by the Commission earlier. UPCL has submitted that since, the recovery of such a huge amount in FY 2013-14 alone would lead to a tariff shock to consumers, hence, it has proposed that the entire impact of the transfer scheme should be treated as regulatory asset to be recovered over a period of three years alongwith the carrying cost on the same. Accordingly, UPCL has proposed a recovery of ₹ 640.38 Crore in FY 2013-14 by imposing a regulatory surcharge of 11.37% to be levied on total fixed charges and energy charges for all the categories of consumers and the remaining unrecovered amount of ₹ 1280.77 Crore would be recovered over next two subsequent years, i.e. FY 2014-15 and FY 2015-16. This Regulatory Surcharge of 11.37% for FY 2013-14 would imply another 17.09% increase over the existing tariff in addition to 50.30% proposed by UPCL for FY 2013-14, thereby, implying an overall tariff hike of 67.39% proposed by UPCL on the existing retail tariffs.
- Further, PTCUL and UJVNL have also submitted their ARR and Tariff Petition for the Control Period FY 2013-14 to FY 2015-16 before the Commission. If their claims are accepted by the Commission it would necessitate a hike of 26.28% (approx) in consumer tariffs in addition to the hike of 67.39% proposed by UPCL for FY 2013-14.
- In addition, UPCL has also proposed to review its miscellaneous charges to reflect the cost inflation over the years from FY 2003-04 to FY 2011-12 based on the change in WPI and has also proposed to remove some parameters and introduce some new parameters according to the changed scenario.

The tariff proposals are as below:

Table: Summary of Existing and Proposed Tariff Schedule *

Category	Fixed/Demand Charges		Energy Charges		Minimum consumption charges	
	Existing	Proposed	Existing	Proposed	Existing	Proposed
RTS-1: DOMESTIC						
1.1 For consumers getting un-metered supply in Rural Areas						
1.1.1 Hilly areas	₹ 130/ connection/month	₹ 185/ connection/month				
1.1.2 Other Areas	₹ 285/ connection/month	₹ 400/ connection/month				
1.2 Domestic Metered						
1.2.1 Life line consumers						
Below Poverty Line and Kutir Jyoti having load upto 1kW and consumption upto 30 units per month	₹ 6/ connection/month	₹ 10/ connection/month	₹ 1.50/kWh	₹ 2.00/kWh		
1.3 Other domestic consumers						
Consumption upto 100 units	Upto 4 kW: ₹ 30/connection/month More than 4 kW: 80/connection/month	₹ 50/kW/month	₹ 2.30/kWh	₹ 2.98/kWh		
Consumption between 101-200 units			₹ 2.60/kWh	₹ 3.65/kWh		
Consumption above 200 units			₹ 3.10/kWh	₹ 4.50/kWh		
1.4 Single Point Bulk Supply	₹ 30/kW/month	₹ 50/kW/month	₹ 2.80/kWh	₹ 4.20/kWh		
RTS-1A: SNOWBOUND						
1) Domestic	₹ 6/ connection/month	₹ 10/kW/month		₹ 2.00/kWh		
2) Non-domestic upto 1 kW			₹ 1.50/kWh	₹ 2.25/kWh		
3) Non-domestic more than 1 kW & upto 4 kW			₹ 2.05/kWh	₹ 2.98/kWh		
4) Non-domestic more than 4 kW	₹ 12/ connection/month	₹ 20/kW/month	₹ 3.10/kWh	₹ 4.50/kWh		
RTS-2: NON-DOMESTIC						
1. Government/Municipal Hospitals, Government/Government aided Educational Institutions, Charitable Institutions registered under the Income Tax Act, 1961 and whose income is exempted from tax under this Act **						
(a) Upto 25 kW	₹ 30/kW/month	₹ 50/kW/month	₹ 3.70/kWh	₹ 5.70/kWh		

Category	Fixed/Demand Charges		Energy Charges		Minimum consumption charges	
	Existing	Proposed	Existing	Proposed	Existing	Proposed
(b) Above 25 kW	₹ 30/kW/month	₹ 45/kVA/month	₹ 3.30/kVAh	₹ 5.00/kVAh	75 kVAh/kW/month & 900/ kVAh/kW/annum	75 kVAh/kVA/month & 900 kVAh/kVA/ annum
2. Other Non-Domestic/Commercial Users						
(a) Upto 25 kW	₹ 30/kW/month	₹ 50/kW/month	₹ 4.40/kWh	₹ 6.65/kWh		
(b) Above 25 kW	₹ 30/kW/month	₹ 45/kVA/month	₹ 4.40/kVAh	₹ 6.65/kVAh	75 kVAh/kW/month & 900/ kVAh/kW/annum	75 kVAh/kVA/month & 900/ kVAh/kVA/ annum
3. Single Point Bulk Supply	₹ 30/kW/month	₹ 45/kVA/month	₹ 4.30/kVAh	₹ 6.30/kVAh	75 kVAh/kW/month & 900/ kVAh/kW/annum	75 kVAh/kVA/month & 900/ kVAh/kVA/ annum
RTS-3: PUBLIC LAMPS - In addition to Tariff, Maintenance charge of ₹ 10/- per light point per month. Further, for every 50 W or part thereof increase over and above 100 W lamp, additional ₹ 60/month has been retained.						
1. Metered	₹ 25/kW/month	₹ 45/kW/month	₹ 3.95/kWh	₹ 6.20/kWh		
2. Unmetered Rural	₹ 155/100 watt lamp/month	₹ 210/100 watt lamp/month	Nil	Nil		
RTS-4: PRIVATE TUBE WELLS/PUMPING SETS - In addition to Tariff, charge of ₹ 20/connection/month for lighting load of not more than two lamps has been retained.						
1 Unmetered	₹ 165/BHP/month**	₹ 250/BHP/month**	Nil	Nil		
2 Metered	Nil	Nil	₹ 1.00/kWh	₹ 1.50/kWh	100 kWh/BHP/month & 1200/ kWh/BHP/ annum	100 kWh/BHP/month & 1200/ kWh/BHP/ annum
RTS-5: GOVERNMENT IRRIGATION SYSTEM						
Upto 75 kW	₹ 25/kW/month	₹ 40/kW/month	₹ 3.95/kWh	₹ 6.00/kWh		
More than 75 kW	₹ 25/kVA/month	₹ 35/kVA/month	₹ 3.80/kVAh	₹ 5.85/kVAh		
RTS-6: PUBLIC WATER WORKS	₹ 25/kW/month	₹ 35/kVA/month	₹ 3.80/kVAh	₹ 5.85/kVAh		
RTS-7: LT & HT INDUSTRIES ***						
1. LT Industry having contracted load upto 100 BHP/75kW						
1.1 Connected load up to 25 kW	₹ 90/kW/month of contracted load	₹ 130/kW/month	₹ 3.60/kWh	₹ 5.40/kWh	75 kWh/kW/month & 900/ kWh/kW/ annum and 40/kWh/kW/month & 480 kWh /kW/ annum for Atta Chakki	75 kWh/kW/month & 900/ kWh/kW/ annum and 40/kWh/kW/month & 480 kWh /kW/ annum for Atta Chakki

Category	Fixed/Demand Charges		Energy Charges		Minimum consumption charges	
	Existing	Proposed	Existing	Proposed	Existing	Proposed
1.2 Connected load more than 25 kW		₹ 130/kVA/month	₹ 3.25/kVAh	₹ 5.00/kVAh	75 kVAh/kW/month & 900/kVAh/kW/annum	75 kVAh/kW/month & 900 kVAh/kW/annum
2. HT Industry having contracted load above 100 BHP/75kW/88kVA						
2.1 Connected load upto 1000 kVA						
2.1.1 Upto 33%	₹ 200/kVA/month of billable demand	₹ 285/kVA/month of billable demand	₹ 2.85/kVAh	₹ 4.15/kVAh	110 kVAh/kVA/month & 1320/kVAh/kVA/annum	110 kVAh/kVA/month & 1320/kVAh/kVA/annum
2.1.2 Above 33% and upto 50%			₹ 3.10/kVAh	₹ 4.65/kVAh		
2.1.3 Above 50%			₹ 3.40/kVAh	₹ 5.15/kVAh		
2.2 Connected load more than 1000 kVA						
2.2.1 Upto 33%	₹ 260/kVA/month of billable demand	₹ 375/kVA/month of billable demand	₹ 2.85/kVAh	₹ 4.15/kVAh	110 kVAh/kVA/month & 1320/kVAh/kVA/annum	110 kVAh/kVA/month & 1320/kVAh/kVA/annum
2.2.2 Above 33% and upto 50%			₹ 3.10/kVAh	₹ 4.65/kVAh		
2.2.3 Above 50%			₹ 3.40/kVAh	₹ 5.15/kVAh		
RTS-8: MIXED LOADS	₹ 30/kW/month	₹ 50/kW/month	₹ 3.60/kWh	₹ 5.50/kWh		
RTS-9: RAILWAY TRACTION	₹ 180/kVA/month	₹ 265/kVA/month	₹ 3.20/kVAh	₹ 4.80/kVAh		
RTS-10: TEMPORARY SUPPLY						
(1) For Illumination / public address/ ceremonies for load up to 15 kW	₹ 1050 per day	₹ 1600 per day				
(2) Temporary shops set up during festivals / melas and having load upto 2 kW	₹ 65 per day	₹ 100 per day				
(3) Other Temporary shops/ Jhuggi / Jhopris for load upto 1 kW						
3.1) Rural	₹ 95/month/connection	₹ 150/month/connection				
3.2) Urban	₹ 190/month /connection	₹ 300/month /connection				

* In addition to the fixed/demand and energy charges proposed above by UPCL, an additional surcharge of 11.37% has been proposed on these charges.

** UPCL has proposed to shift (i) Government/Municipal Hospitals and (ii) Government/Government Aided Educational Institutions to other non-domestic sub-category under RTS-2. Charitable Institutions registered under the Income Tax Act, 1961 and whose income is exempted from tax under this Act will remain in the existing rate schedule in RTS-2 (1.1).

Further, UPCL has clarified that all places of worship ie Mandir, Masjid, Gurudwara, Church are included under rate schedule RTS-2 (1.1).

*** For industries opting continuous supply, UPCL has proposed to increase the continuous supply surcharge to 20% from 15%. Besides this, UPCL has proposed the following ToD charges for the industries:

Industries	Rate of charge during		
	Normal hours	Peak hours	Off-peak hours
LT Industries	₹ 5.40/kVAh	₹ 8.10/kVAh	₹ 4.86/kVAh
HT Industries with Load Factor			
Less than 33%	₹ 4.15/kVAh	₹ 7.73/kVAh	₹ 3.74/kVAh
Above 33% and upto 50%	₹ 4.65/kVAh	₹ 7.73/kVAh	₹ 4.19/kVAh
Above 50%	₹ 5.15/kVAh	₹ 7.73/kVAh	₹ 4.64/kVAh

In addition, UPCL has also proposed to introduce the scheme of express/independent feeders to provide its high value HT industrial consumers 24x7 uninterrupted supply by levying a surcharge of 25%.

4. Responses/suggestions, if any, are sought from consumers and other stakeholders on the Petition. Responses may be sent to the Secretary, Uttarakhand Electricity Regulatory Commission, either in person, or by post at First Floor, Institution of Engineers (India) Building, Near I.S.B.T., Saharanpur Road, Clement Town, Dehradun or through e-mail to uttaranchalerc@rediffmail.com by 15.03.2013.
5. Detailed Petition can be seen free of cost on any working day at the Commission's office or at the offices of General Manager (Regulatory Management) at Urja Bhawan, Kanwali Road, Dehradun/General Manager (Distribution), Garhwal Zone, UPCL, 120-Haridwar Road, Dehradun/General Manager (Distribution), Kumaon Zone, UPCL, 132-KV Substation, Kathgodam, Haldwani. Relevant extracts can also be obtained from the above mentioned offices of the Petitioner.
6. The Petition is also available at the website of the Commission (www.uerc.gov.in) and at the Petitioner's website (www.upcl.org).